

Editorial

Manuel Ammann

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This issue starts a new volume of *Financial Markets and Portfolio Management* (FMPM), I would therefore like to draw your attention to the *Report of the Editor 2010* included in this issue. The acceptance rate slightly increased to approximately 15% of all manuscripts submitted. Although acceptance rates will likely stay low, we continue to actively solicit good articles and always look forward to submissions of interesting research papers, perspective pieces, and book reviews.

In the first article, Nadine Gatzert and Hato Schmeiser revisit the diversification effect in the case of financial institutions, particularly insurance firms. They investigate the impact of the conglomerate discount on the risk and return situation in financial firms and find that accounting for the conglomerate discount should be accounted for also in the risk analysis.

The second article, written by Fabian Brämisch, Nico Rottke, and Dirk Schiereck, investigates the signaling power of IPO underpricing with respect to industry performance. The authors analyze the research question for the case of real estate firms and find evidence for signaling effects in the underpricing of IPOs.

The third article, written by Chen Su and Kenbata Bangassa, also investigates IPO underpricing, albeit in a different context. The author looks at the effect of underwriter reputation on IPO underpricing and long-run post-IPO performance on the Chinese stock market. Whereas reputation does not seem to influence underpricing, long-run performance is found to be related to the reputation of the underwriter.

In the fourth article, Johann Burgstaller and Teodoro D. Cocca address the efficiency of the private banking industry in Switzerland and Liechtenstein using data envelopment analysis. On the basis of a sample of 88 institutions, they include output

M. Ammann (✉)

Swiss Institute of Banking and Finance, University of Sankt Gallen, Rosenbergstrasse 52,
9000 Sankt Gallen, Switzerland
e-mail: fmpm@unisg.ch

variables such as income generated and net new money and input variables such as assets under management, operating costs, and capital. In a further analysis they look at the efficiency impact of factors such as size, degree of specialization, and structure of assets managed.

The Perspectives article of this issue is written by Robin Grieves and Steven V. Mann. They investigate the role of asset swaps in determining the attractiveness of bond portfolios and argue that this frequently used method in practice is limited.

The book review in this issue discusses the book “Markets with Transaction Costs” by Yuri Kabanow and Mher Safarin. The reviewer is Evert Wipplinger.